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SUBJECT: MEDIA REACTION: U.S.-CHINA MILITARY RELATIONS, FINANCIAL
CRISIS, A(H1N1)

Editorial Quotes

11. U.S.-CHINA MILITARY RELATIONS

a. "China rebuts U.S. Senior Official's criticism"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(05/06): "Michael Mullen indicated two days ago that China's efforts to strengthen the navy and air force are mainly pointed at the U.S. This is the first time that a U.S. official has directly pointed out that China's military strength development points at the U.S. This type of sentiment will negatively influence the relationship. It is irresponsible and will not benefit U.S.-China military relations. Two years ago a military hot-line was established between the two countries. And therefore, doubts between the two began to be resolved. However, this year there have been frequent opinions concerning China's military threat within the U.S. military. The bilateral trust has been challenged. The U.S. has complicated ideas about relations with China. On politically, the U.S. hopes that China will cooperate on their anti-terror war; economically, the U.S. needs China's help to walk away from the financial crisis; however, militarily, the U.S. is vigilantly against China. China should be vigilant concerning this new round of the 'China threat theory' jointly promoted by the U.S. and other countries. The think-tanks in the U.S. have begun to take action. The U.S. should treat China's rise calmly. China's rise is inevitable."

b. "Defense Official fires back at U.S. rhetoric"

Global Times English (English-language daily published by the People's Daily): "An official at China's Ministry of National Defense told the Global Times yesterday on condition of anonymity that U.S. Admiral Michael Mullen's words were 'irresponsible and worked to the disadvantage of the development of Sino-US military relations.' ... 'In sharp contrast to President Obama's live show, this guy is talking straight,' said Zhang Zhaozhong, a Rear Admiral of the People's Liberation Army (PLA), who said he doesn't believe that the U.S. will become a friend to China. Any 'cheers' given to China by other U.S. officials have been 'aimed at seeking economic help from China,' Zhang said. Zhang noted that the U.S. military budget for next year is \$670 billion and there is no indication that the U.S. will sacrifice its military might. The reason the U.S. has delayed unveiling its military strategy is because it doesn't want to provoke other countries, Zhang said.

Peng Guangqian, a major general, called Mullen's criticism on China's military development 'an old issue,' telling the Global Times yesterday that such claims are always used as a means to satisfy America's own needs. Peng said that the U.S. has a complex anxiety disorder on China's development and always worries that other countries will challenge its own dominance. And Li Jie, a military expert on the Chinese Navy, told the Global Times that Mullen's words are unfounded, as the U.S. is so strong and its

military spending equals that of more than a dozen countries combined. However, the challenge emerging from China is even more formidable than some Middle East territorial concerns..."China sticks to the path of peaceful development and pursues a defensive defense policy," said Ma Zhaoxu, spokesman of the Chinese Foreign Ministry, at a regular press conference yesterday.

'The U.S. has successfully coaxed Australia into approving a military budget of \$70 billion to boost its defenses over the next 20 years,' Zhang said. Wang Haiyun, a senior consultant at the China Center for International and Strategic Studies, argued that China's military build-up is out of the necessity to safeguard its state sovereignty, given that it is facing a grave security situation. It is only natural for China to build up its military.

12. FINANCIAL CRISIS

"Don't expect the world economy to return to its original status"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(05/06): "Recently, rumors have spread that the world economy and the Chinese economy have hit bottom. However, the future is not optimistic for the global economy. Currently, the financial crisis is still the main crisis. The root cause of this crisis is the related nature of finance and currency. This has developed into a broader and more serious economic crisis. This crisis has severely damaged the original economic order. The economic divisions of the world have been impacted. China's economic prosperity relies on comparative advantages. If China can't utilize these advantages, it has to go through a long and hard process of adjustment. Enlarging domestic needs is a good

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resolution. It is easy to enlarge investment needs, but difficult to enlarge consumption needs. Excessive capital will suppress consumption. What's more, technological renovation is also important. It will urge the Chinese to spend money in their country."

13. A(H1N1)

"North America complains about the over reaction to the virus"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(05/06): "There are increasing complaints from the affected areas in North America concerning the over reactions to the virus. These complaints have obviously influenced western media. There are also complaints about the reaction of the WHO. The officials of the WHO have expressed that before people really know what the new virus is and how it spreads; any kind of prevention measure is understandable. It is too early to claim that there have been over reactions. Canada also cannot understand China's isolation measures. Chinese experts indicate that the A(H1N1) virus has, once again brought up the security issues experienced during the SARS episode. Chinese people realize that this issue is not just a public health issue, but also an issue concerning national security. The A(H1N1) virus is still unknown and unpredictable. It should be understandable that a country has to make preparations according to the worst situation possible. Any sentimental comments will be helpless."

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